

**CITY OF NEWPORT BEACH
PLANNING COMMISSION STAFF REPORT**

May 5, 2011 Meeting
Agenda Item 2

SUBJECT: Establishment of In-Lieu Fair Share Fee Credit toward North Newport Center for Construction of a Third Eastbound Left Turn Lane on San Joaquin Hills Road at MacArthur Boulevard

APPLICANT: Irvine Company

PLANNER: James Campbell, Acting Planning Director
949-644-3228, jcampbell@newportbeachca.gov

PROJECT SUMMARY

An additional eastbound left turn lane from San Joaquin Hills Road to MacArthur Boulevard is proposed to be built by the Irvine Company. Consistent with provisions of both the Fair Share Ordinance (NPB Municipal Code, Chapter 15.38 – Attachment PC-1) and the North Newport Center Development Agreement, Planning Commission approval of the in-lieu credit towards the Fair Share Fees is requested.

RECOMMENDATION

Adopt Resolution No. ____ approving staff's recommendation of the amount of in-lieu contributions deemed applicable towards Fair Share Fees due to construction of the third eastbound left turn lane on San Joaquin Hills Road at MacArthur Boulevard (Attachment PC-2).

INTRODUCTION

Project Setting

The proposed improvements at the intersection of San Joaquin Hills Road and MacArthur Boulevard are located near the northwesterly corner of the North Newport Center Planned Community (PC-56). PC-56 currently consists of Fashion Island, a portion of Block 100, a portion of Block 400, a portion of Block 500, Block 600, a portion of San Joaquin Plaza as well as a portion of Block 800. Fashion Island is developed with a regional shopping center consisting of anchor department stores, retail stores, restaurants and a cinema. Other blocks within Newport Center are developed with office buildings, hotels, surface parking, parking structures and landscaped open space. The subject intersection, being located adjacent to Newport Center, does handle a significant portion of traffic traveling to and from Newport Center as well as serving both city-based and regional traffic.

VICINITY MAP**Project Description**

The applicant plans on implementing the required third eastbound left turn lane from San Joaquin Hills Road to MacArthur and proposes to have the estimated costs associated with its implementation considered as an in-lieu contribution under the City's Fair Share Traffic Contribution Ordinance. The proposed improvements are consistent with improvements anticipated in the Circulation Element of the General Plan adopted in 2007 as well as with improvements assumed within the City's Fair Share Fee Ordinance.

Background

The need to construct a third left eastbound turn lane on San Joaquin Hills Road at its intersection with MacArthur was identified during City approval of the North Newport Center Planned Community (PC-56) and associated Zoning Implementation and Public Benefit Agreement (DA 2007-002) adopted on December 18, 2007. The ability for the Irvine Company to satisfy portions of its obligation to pay Fair Share Traffic Fees through in-lieu contributions, specifically including the subject improvements is stated in Section 4.3 of the subject Development Agreement. Furthermore, the subject Development Agreement document indicates that, in accordance with provisions of the City's Fair Share Traffic Contribution Ordinance, that establishment of in-lieu contributions requires the approval of the City Planning Commission.

DISCUSSION

Analysis

The applicant prepared and submitted a conceptual design and engineer's estimate for construction of the subject third left turn lane. It was intended to reflect a level of improvements consistent with those assumed in the Circulation Element of the adopted General Plan and in the conceptual improvements and cost estimates prepared in support of the on-going update of the City's Fair Share Fee Ordinance. Public Works staff has reviewed the conceptual plan and accompanying Preliminary Cost Estimate submitted by the applicant (See attached letter dated April 13, 2011 and accompanying attachments) and found them to be consistent with the level of improvements planned for this western leg of this intersection in both the Circulation Element of the General Plan as well as in conceptual plans and cost estimates prepared in support of the City's process to update the Fair Share Fees. Therefore, it is recommended that the amount of \$368,000 be established as the amount of in-lieu contributions to be credited as the Fair Share Fee exposure is calculated for the 650 Newport Center Drive Project. While this estimated amount is likely to change upon final construction of the improvements, the correct amount will be determined upon completion of the improvements and the final in-lieu credit amount will be modified accordingly.

Summary

The proposed improvements are consistent with those identified for this intersection location in both the Circulation Element of the General Plan and the City's Fair Share Fee Ordinance improvement program. Furthermore, the means of estimating the in-lieu credit are consistent with requirements of both the City's Fair Share Fee Contribution Ordinance, as well as the North Newport Center Development Agreement.

Environmental Review

The construction of the left turn lane on San Joaquin Hills Drive was contemplated in the City's General Plan Circulation Element and analyzed in the City's 2006 General Plan Update Environmental Impact Report. The approval of the associated in-lieu fees and credits is an action that is consistent with the City's Fair Share Ordinance and the North Newport Center Zoning Implementation and Public Benefit Agreement. This action is covered by the general rule that the California Environmental Quality Act (CEQA) applies only to projects that have the potential for causing a significant effect on the environment (Section 15061.b.3 of the CEQA Guidelines). It can be seen with certainty that there is no possibility that his activity will have a significant effect on the environment. Therefore, this activity is not subject to CEQA.

Public Notice

Notice to the public has been provided with the posting of the agenda for this meeting in accordance with the Brown Act.

Prepared and submitted by

**James
Campbell**

Digitally signed by James Campbell
DN: cn=James Campbell, o=City of Newport
Beach, ou=Planning Department,
email=jbcampbell@newportbeachca.gov,
c=US
Date: 2011.04.28 15:28:42 -07'00'

James W. Campbell, Acting Planning Director

ATTACHMENTS

- PC 1 Section 15.38.080 (In Lieu Contributions)
- PC 2 Draft Resolution
- PC 3 Letter from Irvine Company dated April 13, 2011

Attachment PC-1

Section 15.38.080 (In Lieu Contributions)

15.38.080 In Lieu Contributions.

The provisions of this chapter may be satisfied, in whole or in part, by the dedication of right-of-way, or the construction of roadway or related improvements necessary to the implementation of the master plan of streets and highways, as set forth herein:

A. In lieu credit may be given for master plan of streets and highways improvements which are not assumed to be required of adjacent developments pursuant to the Subdivision Map Act, and are included in the fair share implementation resolution.

B. In lieu credit may be given where application of the traffic phasing ordinance to a specific development results in improvements that are shown on the master plan of streets and highways, except:

1. Improvements required pursuant to the traffic phasing ordinance that may be or are temporary in nature, or those improvements that may have to be relocated, altered or removed in the future, shall not be eligible for consideration as an in lieu contribution.

2. Improvements required pursuant to the traffic phasing ordinance that exceed the requirements of the master plan of streets and highways, that are necessary to accommodate a specific development, shall not be eligible for consideration as an in lieu contribution.

C. Acceptance of all proposed in lieu contributions shall be subject to the approval of the Planning Commission or the City Council on appeal or review. (Ord. 94-19 (part), 1994: Ord. 84-16 (part), 1984)

Attachment PC-2

Draft Resolution

RESOLUTION NO. _____

**A RESOLUTION OF THE PLANNING COMMISSION OF THE
CITY OF NEWPORT BEACH APPROVING AN IN-LIEU FEE
CREDIT FOR THE 650 NEWPORT CENTER DRIVE PROJECT
IN THE NORTH NEWPORT CENTER PLANNED COMMUNITY
(PC-56)**

THE PLANNING COMMISSION OF THE CITY OF NEWPORT BEACH HEREBY FINDS AS FOLLOWS:

SECTION 1. STATEMENT OF FACTS.

1. A request for review of development plans for construction of a building in Block 600 of the North Newport Center Planned Community (NNCPC) was submitted by Irvine Company as applicant. The development is consistent with the City's General Plan and the NNCPC but is subject to review by the City of Newport Beach. No discretionary approvals are required.
2. In conjunction with construction of the building, located at 650 Newport Center Drive, Irvine Company intends to construct a third eastbound left turn lane on San Joaquin Hills Road.
3. The proposed roadway improvements will implement the requirement of Section 7.3 of the North Newport Center Development Agreement and are consistent with improvements anticipated in the Circulation Element of the General Plan and included in the City's Fair Share Fee Program.
4. The applicant prepared and submitted a conceptual design and engineer's estimate for construction of the subject left turn lane that reflected a level of improvements consistent with those assumed in the Circulation Element. Staff has reviewed the conceptual plan and accompanying preliminary cost estimate and found them consistent with the Circulation Element and the City's Fair Share Fees.
5. Consistent with Section 15.38.080 of the City's Fair Share Traffic Contribution Ordinance for In-lieu Fees and the provisions of the Fair Share Traffic Fees Section (4.3) of the North Newport Center Development Agreement, Irvine Company has requested that in-lieu fee credits for the intersection improvements in the amount of \$368,000 be approved. It is understood that the amount of the in-lieu fee credit will be subject to adjustment based on the actual costs incurred to implement the project.
6. On May 5, 2011, in the City Hall Council Chambers, 3300 Newport Boulevard, Newport Beach, California, the Planning Commission considered the request. A notice of time, place and purpose of the meeting was given in accordance with the Newport Beach Municipal Code. Evidence, both written and oral, was presented to, and considered by, the Planning Commission at this meeting.

SECTION 2. CALIFORNIA ENVIRONMENTAL QUALITY ACT DETERMINATION

This action is covered by the general rule that the California Environmental Quality Act (CEQA) applies only to projects that have the potential for causing a significant effect on the environment (Section 15061.b.3 of the CEQA Guidelines). It can be seen with certainty that there is no possibility that this activity will have a significant effect on the environment. Therefore, this activity is not subject to CEQA.

NOW, THEREFORE, BE IT RESOLVED:

The Planning Commission hereby approves the In-lieu Fee Credit established for the proposed improvements to San Joaquin Hills Road consistent with the Circulation Element of the General Plan and the Fair Share Traffic Contribution Ordinance.

PASSED, APPROVED AND ADOPTED THIS 5th DAY OF MAY, 2011.

AYES:

NOES:

ABSTAIN:

ABSENT:

BY: _____

Earl McDaniel, Chairman

BY: _____

Michael Toerge, Secretary

Attachment PC-3

Letter from Irvine Company
dated April 13, 2011



IRVINE COMPANY

Since 1864

April 13, 2011

Mr. Steve Badum
Public Works Director
City of Newport Beach
3300 Newport Boulevard
Newport Beach, CA 92658-8915

Dear Steve:

This letter is submitted to request initiation of the process to establish an in lieu credit towards the Fair Share Fees for the 650 Newport Center Drive Project for improvements to the intersection of MacArthur and San Joaquin Hills Road.

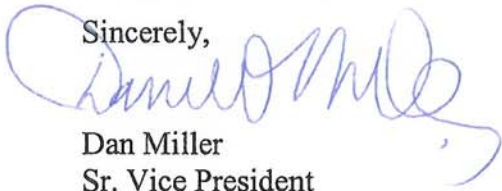
The Irvine Company intends to construct a third eastbound left turn lane on San Joaquin Hills Road in conjunction with the proposed 650 Newport Center Drive Project. The proposed improvements (shown on the attached Exhibit) will implement the requirement from Section 7.3 of the North Newport Center Development Agreement and are consistent with improvements to this intersection that are included in the City's Fair Share Fee Program. Therefore, consistent with the In-Lieu Contributions Section (15.38.080) of the Fair Share Traffic Contribution Ordinance and the provisions of the Fair Share Traffic Fees Section (4.3) of the North Newport Center Development Agreement, it is requested that the in-lieu credit for these improvements be established.

The attached conceptual plan for implementation of the additional left turn lane incorporates input received from City staff during prior reviews and serves as the basis of the attached Engineer's estimate of costs for the subject improvement. As you are aware, the attached estimate has been prepared to be consistent with both the methodology and unit price assumptions utilized in the estimate for improvements to the subject intersection that is incorporated in the current cost estimates being used to update the Fair Share Fee Program. Therefore, this estimate is submitted to serve as the basis for establishing the in-lieu credit applicable to the 650 Newport Center Drive Project at this time, while recognizing that the final amount of this in-lieu credit will be subject to adjustment based on the actual costs incurred to implement this project.

Please call with any questions that may arise regarding this request or the attached materials or if additional information is necessary to complete the process of establishing this in-lieu credit.

We appreciate the opportunity to have worked with you and your staff during preparation of the conceptual plan and associated cost estimate and look forward to working together to implement this important master planned traffic improvement.

Sincerely,



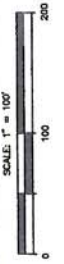
Dan Miller
Sr. Vice President

Cc: Tony Brine – City of Newport Beach
John Boslet – Irvine Company
Ron Keith – Irvine Company
Tim Carey – Irvine Company



CONCEPTUAL PLAN FOR
SAN JOAQUIN HILLS ROAD TRIPLE LEFT

September 4, 2008



INTERSECTION IMPROVEMENTS
EXISTING CHURCH SITE IMPROVEMENTS

**NEWPORT BEACH FAIRSHARE FEE PROGRAM UPDATE
PRELIMINARY COST ESTIMATES**

Location: MacArthur/San Joaquin Hills Rd
Mitigation: Add Third SB Left Turn Lane

Date: 2/7/2011
Estimated by: P. McNab

	DESCRIPTION OF WORK	UNIT PRICE	QUANTITY	COST
1	Mobilization	10.00%		\$24,000
2	Clear & Grub	\$10,000.00 / AC		\$0
3	Remove Striping	\$10.00 / LF	1,350	\$14,000
4	Remove Curb & Gutter	\$30.00 / LF		\$0
5	Remove Median Curb	\$30.00 / LF	1,250	\$38,000
6	Remove PCC Sidewalk	\$7.00 / SF		\$0
7	Remove Pavement	\$4.00 / SF	1,260	\$5,000
8	Remove Wall	\$10.00 / LF		\$0
9	Remove Channel	\$15.00 / LF		\$0
10	Remove/Replace Chain Link Fence	\$50.00 / LF		\$0
11	Reconstruct Metal Beam Guard Rail	\$70.00 / LF		\$0
12	Remove & Relocate Tree	\$3,000.00 / EA		\$0
13	Sawcut	\$1.00 / LF	900	\$1,000
14	Relocate Street Light	\$7,500.00 / EA	2	\$15,000
15	Modify Traffic Signal System	\$25,000.00 / EA	1	\$25,000
16	Relocate Freeway Sign (2 post)	\$1,000.00 / EA		\$0
17	Relocate Sign (1 Post)	\$300.00 / EA		\$0
18	Reconstruct Overhead Sign	\$50,000.00 / EA		\$0
19	Relocate Call Box	\$2,000.00 / EA		\$0
20	Relocate Power Pole (Wood)	\$25,000.00 / EA		\$0
21	Relocate Catch Basin	\$8,000.00 / EA		\$0
22	Relocate Fire Hydrant	\$2,500.00 / EA		\$0
23	Relocate Bus Bench	\$600.00 / EA		\$0
24	Relocate Monument Wall	\$5,000.00 / EA		\$0
25	Relocate Utility Boxes	\$500.00 / EA		\$0
26	Relocate Main Water Valve	\$5,000.00 / EA		\$0
27	Relocate Utility Vault	\$3,000.00 / EA		\$0
28	Adjust Manhole to Grade	\$1,500.00 / EA		\$0
29	Adjust Water Meter	\$500.00 / EA		\$0
30	Adjust Water Valve	\$500.00 / EA		\$0
31	Adjust Minor Above Ground Utilities	\$500.00 / EA		\$0
32	Modify Driveway	\$5,000.00 / EA		\$0
33	Earthwork	\$12.00 / CY		\$0
34	Construct PCC Pavement	\$15.00 / SF		\$0
35	Construct AC Pavement	\$14.00 / SF	2,430	\$34,000
36	Construct AC Overlay	\$3.00 / SF		\$0
37	Construct Slurry Seal	\$0.25 / SF		\$0
38	Construct Striping & Marking	\$4.00 / LF	1,350	\$5,000
39	Construct AC Dike	\$7.00 / LF		\$0
40	Construct Curb & Gutter	\$30.00 / LF		\$0
41	Construct Concrete Barrier	\$50.00 / LF		\$0
42	Construct Median Curb	\$20.00 / LF	1,250	\$25,000
43	Construct Median Concrete	\$10.00 / SF	2,300	\$23,000
44	Construct Median/Parkway Landscaping	\$10.00 / SF		\$0
45	Construct PCC Sidewalk	\$7.00 / SF		\$0
46	Construct Access Ramp	\$5,000.00 / EA		\$0
47	Construct Retaining Wall	\$50.00 / SF		\$0
48	Construct Storm Drain Main	\$100.00 / LF		\$0
49	Construct RCB	\$1,000.00 / LF		\$0
50	Construct Headwall	\$5,000.00 / EA		\$0
51	Construct Concrete V-Ditch	\$15.00 / LF		\$0
52	Construct Bridge Widening	\$500.00 / SF		\$0
53	Construct Wall	\$70.00 / LF		\$0
54	Building/Structure Demolition (1 Story)	\$10.00 / SF		\$0
55	Traffic Control	8%		\$15,000
56	Drainage Items	10%		\$0
57	SWPPP Plan and Implementation	6%		\$12,000
CONSTRUCTION SUBTOTAL				\$236,000
	Right-of-Way	100 / SF		\$0
	Right-of-Way Management	5 / %		\$0
RIGHT-OF-WAY SUBTOTAL				\$0
TOTAL CONSTRUCTION & RIGHT-OF-WAY COST				\$236,000
Preliminary Project Development (10% of total Construction/RW cost)				\$24,000
Design Engineering/Administration Costs (15% of total Construction/RW cost)				\$36,000
Construction Engineering Costs/Administration (10% of total Construction/RW cost)				\$24,000
Contingency (20% of Total Construction/RW cost)				\$48,000
TOTAL PROJECT COSTS				\$368,000